

## Sibley LLC

Ken Sibley  
[Ken@SibleyLLC.com](mailto:Ken@SibleyLLC.com)

March 20, 2025

*Via Electronic Mail – [kent@kentries.com](mailto:kent@kentries.com)*

Kent Ries, Trustee  
PO Box 3100  
Amarillo, TX 79116-3100

Re: McClain Feed Yard, Inc., et al.<sup>1</sup>  
Carr, Riggs and Ingram

Dear Mr. Ries:

Thank you for selecting Sibley LLC to assist you in the above-captioned matter. We are writing to you to confirm the terms of our engagement. This Engagement Letter and the Standard Terms and Conditions which are integral parts of the whole (collectively, the “Agreement”), constitute an Agreement documenting the understanding between you in your capacity as Chapter 7 Trustee for the McClain Farms, Inc., McClain Feed Yard, Inc., and 7M Cattle Feeders, Inc., (the “Client”) and Sibley LLC for certain litigation support services, reports and other deliverables defined below (the “Services”).

The Services relate to your representation of Client. It is understood and agreed that the Services may include advice and recommendations, but all decisions in connection with the use of such advice and recommendations shall be the responsibility of, and made by the Client. However, this is not to be construed that the Client may selectively use parts of our work product and omit other parts.

Sibley LLC acknowledges that this Agreement is subject to approval by the bankruptcy court.

### **Nature, Purpose, and Objective**

We will consult with you in areas where you require our assistance. At your request, we will provide a written report covering our procedures, findings and opinions. In addition, at your request, we may supply expert testimony at deposition, trial or other hearings. The following paragraph(s) describe(s) the Services that we currently expect to provide.

Sibley LLC will perform necessary accounting services, providing expertise and consultation regarding the pre-petition accounting services provided to the Debtors, investigating records and information of the Debtors, and investigating and pursuing litigation claims of the Debtors’ bankruptcy estates.

### **Documentation**

Our expert report may be used in the above legal proceedings and, as such, will provide any information we identify as being compatible with that objective.

The Services to be provided by us are intended for use only in connection with the above-captioned matter and by authorized users related to this matter. Our report, including summaries, schedules, and

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<sup>1</sup> The Debtors in these Chapter 7 cases are: McClain Feed Yard, Inc. (Case No. 23-20084-RLJ), McClain Farms, Inc. (Case No. 23-20085-RLJ), and 7M Cattle Feeders, Inc. (Case No. 23-20086-RLJ)

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working papers of any kind generated in connection with our Services, shall not be published, used, or disseminated, in whole or in part, for any other purpose without the prior express written consent of Sibley LLC. We will not assume any responsibility or liability for losses suffered by any parties as a result of the circulation, publication, reproduction or use of this report contrary to the provision of this paragraph.

You agree that possession of the working papers or other written documentation regarding the engagement does not carry with it the right of publication of all or part of it, nor may it be used or relied upon without previous written consent for any purpose other than that set forth above.

### **Delivery and Timing**

Our ability to deliver a report is dependent upon our timely receipt of the required information. We will use reasonable efforts to meet any reasonable deadlines, but we do not provide assurance on the ability to meet deadlines. To facilitate our efforts, we request that you keep us timely informed and coordinate our schedules for important dates, such as trial, discovery cutoff, depositions, settlement conferences, and so forth.

### **Fees**

In situations of this nature, it is usually not possible to provide an accurate estimate of the total time or fees required to complete the tasks assigned. The ultimate fees depend on a variety of factors including, but not limited to, the extent and nature of the documents and information provided and positions taken by the parties, the adequacy and condition of the records, the developments that may occur as work progresses, the extent of the cooperation obtained from you and others, and various other related factors. It is our intention to work closely with you to structure our work so the appropriate personnel from our staff are assigned to the various tasks in order to keep fees at a minimum.

Our fees will be based on our standard hourly rates, which currently is \$650.00 per hour for Ken Sibley, plus reasonable travel and other out-of-pocket costs incurred in providing professional Services and any applicable taxes. Where possible, additional staff members when available may assist in this matter. Their rates will range from \$255.00 per hour to \$600.00 per hour. Our hourly rates are subject to change from time to time due to changing market conditions, and you will be responsible for our fees at the increased rates when our rates change.

### **Billing**

Engagement fees and expenses will generally be submitted monthly or periodically (weekly in some cases) without regard to the status or outcome of the litigation.

We understand that our fees will be submitted through the Bankruptcy Court fee application process and paid pursuant to Court Order.

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### **Testimony**

We understand that we may be requested to provide testimony as part of this engagement at deposition, trial, or other hearings, if requested. Such testimony is expected to be provided by Ken Sibley.

### **Challenges to the Admissibility of Expert's Opinion**

Because of the adversarial nature of any dispute, it is common that parties in litigation challenge the admissibility of an expert's opinion. You hereby acknowledge that Sibley LLC is being retained because its professionals satisfy the necessary requirements of knowledge, skill, experience, training, or education.

You acknowledge that the opinions rendered by Sibley LLC are our good faith opinions supported by a reasonable amount of research and analysis, but it is only the unbiased judgment of Sibley LLC. Failure of our opinion to be accepted for any reason by any party, person, or government entity shall not:

1. constitute a breach of any of Sibley LLC's duties under this agreement;
2. constitute negligence of any kind on the part of Sibley LLC;
3. give rise to any cause of action by the Client; and
4. relieve the Client of any duties.

You agree to review prior to the release of our report or opinion and the rendering of any expert testimony that the anticipated report or testimony has the appropriate basis in fact and such testimony is both relevant and reliable. After your review, if you disagree with this assessment, you agree to notify us immediately, in writing, about the specifics of your disagreement.

### **Acceptance**

We greatly appreciate the opportunity to provide our professional Services. We look forward to working with you in this matter. We believe this Engagement Letter and the attached Standard Terms and Conditions accurately summarizes the significant terms of our engagement. You acknowledge having read this agreement in its entirety, have had full opportunity to consider its terms, have had full and satisfactory explanation of same, and fully understand and agree to be bound by the terms of this agreement.

Please indicate your understanding and acceptance by executing this agreement in the space provided below and return it electronically indicating your authorization for us to proceed on the above terms and conditions.

Sincerely,

  
Ken Sibley, CPA

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ACCEPTED BY:

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Kent Ries, in his capacity as Chapter 7 Trustee for the  
McClain Farms, Inc., McClain Feed Yard, Inc., and  
7M Cattle Feeders, Inc.

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Date

## Standard Terms and Conditions

These Standard Terms and Conditions apply to the Agreement for the Services to be provided by Sibley LLC on behalf of Kent Ries, Chapter 7 Trustee for the McClain Farms, Inc., McClain Feed Yard, Inc., and 7M Cattle Feeders, Inc. (the "Client" or "you") and are agreed to and acknowledged by Sibley LLC. In the event that there is a conflict between the Engagement Letter and these Standard Terms and Conditions, the terms of the Engagement Letter shall prevail. Any capitalized terms herein that are undefined shall have the meaning assigned to them elsewhere in the Agreement.

These Terms and Conditions that expressly or by implication are intended to survive the termination or expiration of this engagement shall survive and continue to bind all parties to the Agreement.

### 1. Standards of Performance

Our work will be prepared in accordance with the standards promulgated by the AICPA. All staff associated with our work are subject to the AICPA Code of Professional Conduct. "Principles of Professional Conduct," covers the following principles:

- (a) Responsibilities
- (b) Public Interest
- (c) Integrity
- (d) Objectivity and Independence
- (e) Due Care
- (f) Scope and Nature of Services

"The General Standards Rule," covers the following standards:

- (a) Professional Competence
- (b) Due Professional Care
- (c) Planning and Supervision
- (d) Sufficient Relevant Data

The AICPA has determined that the above-described Services are subject to Statement on Standards for Forensic Services (SSFS) No. 1. As part of our compliance with SSFS No. 1, this Engagement Letter is designed to establish with the Client a written understanding about the responsibilities of the parties and the nature, scope, and limitations of services to be performed, and to modify the understanding if circumstances require a significant change during the engagement. In addition, we intend to inform you of (a) conflicts of interest that may occur, (b) significant reservations concerning the scope or benefits of the engagement, and (c) significant engagement findings or events. By signing this Agreement, you agree that our communications to the Client's attorney as counsel/to the Client will discharge our client communication responsibilities as described in SSFS No. 1.

### 2. Scope Limitations

Sibley LLC shall be obligated only for the Services described in this Agreement and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. Further, our obligation shall not extend to any subsequent periods for which we are not engaged.

Because we are being retained as litigation consultants, our work will be confidential, constituting a portion of the Client's work product, and is to be regarded by us as being covered by the attorney-client and work product privileges. It is our intention to submit all reports, communications, and work product to counsel unless you or a lawful court process directs us to do otherwise. All documents prepared by us will be marked "Privileged and Confidential — Prepared at the Request of Counsel" or any alternative wording of the Client's preference. You understand and agree that it is your duty or your counsel's duty to protect this data by objecting to its production in discovery and obtaining appropriate protective orders.

If you decide you would like Sibley LLC to provide expert testimony, such decision will be made in light of the information previously disclosed to and work product provided by us.

Our professional standards prohibit us from providing opinions on the ultimate conclusion of fraud and leave that determination to a trier of fact. You agree that you will not ask us to provide ultimate conclusions of fraud. However, we may provide expert opinions relating to whether evidence is consistent with certain elements of fraud or other laws based on objective evaluation.

Our participation in this matter is strictly as a consulting expert, and we are not being retained in this matter to serve as testifying experts at this time. Should the nature of our engagement change from consulting to testifying expert, you would engage us as a testifying expert under separate agreement.

### 3. Conflicts of Interest

We have undertaken a reasonable review of our records to determine our professional relationships with the persons or entities you identified in order to comply with the "Conflicts of Interest" interpretation. We are not aware of any professional conflicts of interest or relationships that would, in our sole discretion, preclude us from performing the above work for you.

We have been engaged from time to time by other law firms, both locally and nationally, and it is possible that we are or may become engaged by firms representing clients adverse to your client in this matter. We are not restricted from working on other, unrelated engagements involving the parties and law firms involved in this matter; however, all confidential information gained in this matter will be kept confidential.

We cannot guarantee that, following our employment by you, an engagement will not be accepted by Sibley LLC for another party that may bear on this engagement. In the event that additional relationships or potential conflicts come to our attention, we will notify you within a reasonable time.

### 4. Successors and Affiliates

This Agreement is a legally binding contract between Sibley LLC and you and will be binding upon, and inure to the benefit of, respective heirs, assigns, successors-in-interest, and legal representatives (as applicable). It may not be amended without the prior written consent of both parties.

## 5. Term

Unless terminated sooner in accordance with the terms set forth below, the Agreement shall terminate on the completion of Sibley LLC's Services.

We acknowledge your right to terminate our Services at any time, and you acknowledge our right to resign and withdraw from the engagement without liability to Sibley LLC under certain circumstances. In the event that either party wishes to terminate this Agreement, they are required to advise the other party in writing not less than ten (10) calendar days before the effective date of termination. In either event, if this contract would become terminated, no further hours would be charged as of the effective date of termination, and all fees, billed and any time unbilled incurred to the date of resignation and withdrawal, would become due and payable.

The following circumstances will give us the option to resign and withdraw from the engagement:

- (a) Failure by you to allow a reasonable amount of time for the agreed-upon assignment to be completed
- (b) Failure by you to comply with the terms of the Agreement
- (c) Failure by you to meet the financial obligations delineated in this Agreement
- (d) Failure by you to timely provide complete documents and information
- (e) Encountering lack of cooperation
- (f) Additional facts become known to us that contradict the facts disclosed to us as of the date of the Agreement
- (g) A conflict of interest arises or becomes known to us that, in our judgment, would impair our ability to perform our Services with objectivity and lack of bias
- (h) Information becomes known to us that would make our continued involvement in the engagement inappropriate
- (i) Determination that continuing or completing the engagement will involve a breach of our ethical or professional standards
- (j) Evidence that we can no longer rely on the integrity of you or your counsel
- (k) A substitution of attorneys
- (l) Material disagreement of opinion between you and Sibley LLC
- (m) Material disagreement between you and Sibley LLC over the conduct of your case

## 6. Ownership

All documents, materials, or information of any kind created by Sibley LLC in connection with this engagement, including, without limitation, any written reports, memoranda, working papers, or status summaries, are work product (collectively, "Work Product"). All Work Product shall be owned and maintained by us. We acknowledge that our Work Product shall not include any of your Confidential Information or tangible or intangible property, and we shall have no ownership rights of such information.

We will retain the documentation in accordance with our document retention policies, which may be amended from time to time. Our current document retention period for litigation support engagements is seven (7) years. You authorize us to destroy all files and documents seven (7) years after completion of our assignment. You will have the opportunity to review your file at any time prior to destruction and retain those documents that are yours and copy any others.

It is not our practice to retain working papers, schedules, emails, notes, reports, or data files prepared by us that have been updated or superseded as we perform our engagement; however, it is our practice to retain copies of working papers, schedules, emails, notes, reports or data files provided by you or any third party or submitted by us to you, any third party, or the Court.

7. Sibley LLC's Responsibilities, Representations, and Limitations

We have no financial interest or contemplated financial interest in the business or property that is the subject of this engagement, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses or conclusions in, or the use of, this engagement.

We, and our agents, will take whatever actions are necessary or appropriate for us to conduct the litigation support engagement, but we will keep you informed of our actions and progress throughout this engagement. If for any reason we are unable to complete the litigation support engagement, we will not issue a report as a result of the engagement.

Our opinions will represent our professional, unbiased opinions based on the data we are able to obtain within a reasonable time, using our best efforts. We will not audit, review, or compile any financial statements, forecasts, or financial data as part of this litigation support engagement. As such, we will not express an opinion or provide any form of assurance on the financial data provided as part of this engagement.

Our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist, nor will we be responsible for the impact on our Services of incomplete, missing, or withheld information, or mistaken fraudulent data provided from any source or sources.

8. Responsibilities and Representations

You and your counsel agree to provide promptly, upon request, all financial and nonfinancial information and documentation reasonably deemed necessary or desirable by us in connection with the engagement in order to complete the engagement objectives as you may outline to us.

You agree that the scope of the litigation support engagement will be unrestricted and that you will make available all personnel as we request in order for us to complete the engagement objectives.

You acknowledge and agree that Sibley LLC may, in performing its obligations pursuant to this Agreement, use data, material, and other information furnished by you without any independent investigation or verification and that we shall be entitled to rely upon the accuracy and completeness of such information in performing the Services under the Agreement.



You agree that we are not required to update our analyses and conclusion for events and circumstances occurring after the date of our report.

9. Confidentiality

Consistent with the "Confidential Information Rule," one of the underlying principles of the profession is a duty of confidentiality with respect to the Client's information. Confidential information means all documents, software, reports, data, records, forms, and other materials (including, without limitation, Work Product) obtained by us from you in the course of performing the Services under the Agreement.

All working papers and documentation or other documents used by us during the course of this engagement will be maintained in segregated files. In accordance with the final rules published by the Federal Trade Commission (commonly referred to as the Gramm-Leach-Bliley Act), the following disclosures are made:

- (a) In the process of preparing our report or other tasks included in the assignment, we may collect from the Client's authorization, certain essential information that is nonpublic, such as information concerning income, expenses, assets, liabilities and other similar information.
- (b) We will follow professional standards for protecting the confidentiality and security of the non-public information collected.
- (c) We will not discuss any nonpublic information about the Client to any third party, except as permitted by the Client or required by law.

Any Confidential Information provided to us by the Client will be kept confidential and not disclosed to any third party unless

- I. permitted disclosures such as providing Confidential Information to our employees, and in limited situations, to unrelated third parties who need to know that Confidential Information to assist us in providing Services to the Client;
- II. expressly permitted by the Client in writing; or
- III. required by applicable law, regulation, judicial, administrative or governmental order or process, or demand of accounting oversight body or a duly authorized professional peer review committee or unless such third party is designated by the Client.

If we receive a summons, subpoena, or court order to disclose such confidential information, we will provide you prompt notice of the summons, subpoena, or court order and shall seek to protect such confidential information from disclosure to the full extent provided under the law. We will cooperate with you in response to any summons, subpoena, or court order, but it is agreed that we will be reimbursed for any time and expenses associated with the defense of the confidentiality of the Client's information, or our work product, or both. We will, nevertheless, have no liability to the Client or any

third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other judicial or non-judicial forum or of any regulatory agency or similar instrumentality.

We understand that all communications between our personnel regarding this engagement and you or your personnel, as well as any materials or information developed or received by us pursuant to this Agreement, whether oral or written, may be protected by applicable legal privileges and, therefore, will be treated as confidential.

During the course of our engagement, we may communicate Confidential Information or other documents in electronic form during the course of this engagement. The Client accepts the inherent risks of these forms of communication (including, but not limited to, the security risks of interception of or unauthorized access to such communications, the risks of the unreliability of delivery, the risks of corruption of such communications and the risks of viruses or other harmful devices).

#### 10. Assignment

Neither party may assign, transfer or delegate any of its rights or obligations without the prior written consent of the other party, such consent not to be unreasonably withheld.